

PROFILE

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A Newsletter of Blue Cross and Blue Shield of Florida

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Four employees earn cash awards

Interest in the Corporate Suggestion Program is increasing. The number of applicants is growing, and cash awards are being earned.

A recent winner was **Nona Collins**, a claims data analyst in Medicare B Electronic Media. She received \$300 for submitting an idea that should save BCBSF \$3,000 per year—an addendum form for ambulance companies. Last week, **Rhodann Mercer** of FEP Supplemental Claims was named a \$494 winner for suggesting an I.P.D.R. process change that will save almost \$5,000 in examiners' time per year.

The program is a tool of participatory management, according to program

coordinator Juanita Simmons. All non-exempt employees have an opportunity to express ideas, identify problems and suggest solutions that will result in more efficient operation of their department and/or the company.

Workable ideas that are used will result in improved customer service, reduced costs, or elimination of potential safety hazards. If tangible benefits are determined, there's a reward of 10 percent of the anticipated annual gross savings for BCBSF. The minimum award is \$10; the maximum is \$1,000. Ideas that generate unmeasurable savings also receive \$10 awards, Simmons said.

Since the program was re-activated

a year and a half ago, 10 ideas have been approved, and one person has won \$1,000.

Sally K. McLaurin of Production and Change Control recently received

(Cont'd. on p. 4)

BCBSF selects Martin Agency for advertising

Blue Cross and Blue Shield of Florida has selected The Martin Agency of Richmond, Va., to handle all advertising for the corporation and its HMO subsidiary, HEALTH OPTIONS. The contract award ends a six-year relationship with Burton-Campbell, Inc. of Atlanta.

The Martin Agency, an affiliate of Scali, McCabe, Sloves of New York, was among 20 agencies competing for the contract. BCBSF spent \$12 million on advertising in 1986.

Founded in 1965, The Martin Agency has grown in billings from \$11.5 million to \$90 million during the past four years. It recently purchased an interest in Husk, Jennings, Overman of Jacksonville, which will provide day-to-day management of the BCBSF account.

The agency has been recognized for its creative work, earning such awards as Adweek's "hottest agency in the Southeast" in 1984 and "Southeast Agency of the Year" in 1985.

"The Martin Agency was selected based on its excellent creative and strategic abilities and its focused understanding of the health insurance business," said Robert Sebok, vice president of Corporate Communications and Advertising.

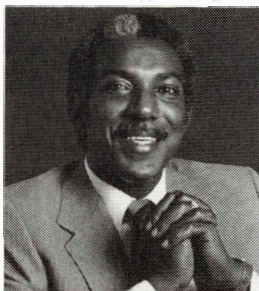
The Martin Agency's accounts have included Barnett Banks of Florida, Virginia Power and Bank of Virginia.



Nona Collins recently was awarded a \$300 check for a cost saving idea she submitted to the Corporate Suggestion Program. With her are Medicare B Claims Director Jeff Hinson (l) and Medicare B Vice President W. Charles Scott.

Vice President's Viewpoint

Good people, good ideas



by
**W. Charles
Scott**

Last year, the federal government decided to fund Medicare contractors in such a way that claims processing began to slow nationwide. This had little impact in some places, like Wyoming, with fewer than 50,000 senior citizens. But in Florida, with two million beneficiaries and 45,000 doctors and suppliers who bill Medicare, reduced contractor funding resulted in a quickly mounting stockpile of claims that peaked in June at 1.8 million.

To process the regular volume of claims, plus a backlog, required more than hard work. It required new ideas. The people of Medicare B were forced by the crisis to look at their work in new ways, and that fresh approach yielded creative solutions.

The combination of hard work and new ideas paid off. Last month, claims inventory in Medicare B was its lowest in three years. Fiscal 1986 closed out with costs held down to 1985 levels, while 2.5 million more claims were processed than the year before.

Corporatewide, we face numerous issues. In order for the company to gain competitive advantage, it must continue to work these issues. Only through our people and their wealth of thought can we achieve the market leadership we have set as our goal.

We should aim for one idea a day—how to improve service, how to reduce cost, how to better meet customer needs. The job of thinking is not for a few senior members of management or the board of directors. It is for each person who is individually an expert at what he or she is doing. It is from that expert perspective that the best ideas come forth.

There are no simple solutions, however. Once an idea is born, it needs to be

followed up with thought and effort. All implications need to be understood, costs weighed, and benefits counted. Only then can an idea be implemented.

We at the Florida Plan are fortunate to have such an excellent group of people making up the company. Good people create good ideas. By developing our idea-generating abilities even further, we can achieve competitive advantage and be assured of taking the winner's place in the market.



Pensacolans "March"

BCBSF's Pensacola office staff recently walked eight miles in the annual Pensacola March of Dimes Teamwalk.

Sue Lowrey, Pat Miller, Dee Bryant, Effie Oates and Supervisor **Bud Roblyer** collected donations and made plans to do it again next year. The staff also decided that in 1988 they'll sponsor activities to raise money for the charity, including a collection box in the walk-in lobby. "We hope that all of the branch offices will take the challenge and support the effort to prevent birth defects," Roblyer said.

Finance system due for overhaul

It's like changing the oil in your car. If you don't keep up with it, the engine eventually will need a major overhaul.

That's an analogy Mike Butler, director of the Finance System Project, used to explain why BCBSF may replace its financial systems. Existing, 10-to-15-year-old software simply isn't keeping up with the company's changing needs, and future informational capabilities must have greater flexibility, he said.

The complex project of analysis, selection and implementation, which began in 1986 and could last for more than two years, centers around fulfilling two basic requirements, Butler said. BCBSF must be able to efficiently process an increasingly large volume of financial transactions, and there's a growing need to be able to deliver accurate, timely and useful financial information to management.

The changes being considered would have widespread effects on the entire company, Butler said.

Thus far, with substantial input from various corporate areas, the project team has completed a model of the company's current system, and they're determining the functional requirements of diverse, expanding business needs. Future financial systems must be able to operate effectively in a multi-company, multi-state environment, Butler said.

The project team may recommend contracting with software vendors for systems to support functions that are common to large businesses, such as payroll, personnel, purchasing and accounts payable. They may also recommend developing new in-house systems for other functions, such as cost accounting.

The new systems would be a considerable investment, but project members feel that they would provide a great deal of value to Blue Cross and Blue Shield of Florida, Butler said.



BCBSF Gavel Club graduates earn their diplomas

BCBSF Gavel Club graduates of April 28, 1987: (front row, l-r) Lutricia Hundley, Jeanette Mobley, Bobbie Crane, Gwen Reese, (back row) Pam Thompson, Gwen Whitty-Goggins, Burnadette Presley, Anita Rogers and Janice McClenton.

Human Resources

Things you should know

from the Human Resources
Information Center

The Human Resources Information Center (better known as HRIC) serves as the central point for the Human Resources Division regarding the status of the employee population.

It is in HRIC that all employee information, either employment status changes or personal changes, is received, verified and updated in order for the Human Resources Division to better serve the needs of Blue Cross and Blue Shield of Florida, Inc.

For this reason, it's very important that HRIC receive all employment status changes (i.e., salary changes, terminations, location changes, etc.) via the Employee Profile in a timely manner with the proper management authorizations. This will ensure that the data HRIC supplies to the organization for corporate decisions is the most current and accurate.

You can help the corporation keep your personal information accurate by sending your personal changes (i.e., home address, home telephone number, emergency contacts, etc.) to HRIC on 1-Tower via your Employee Profile as soon as your changes are accurate. Your help in this matter will ensure that your personal information is up-to-date for use in case of emergency.

You can contact HRIC at Ext. 6701 if you have any questions about your Employee Profile, written employment verifications, or assistance with profile changes.

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BCBSF prepares for IMC enrollees

BCBSF expects a large increase in inquiries and new customers following the federal government's announcement that it will end its Medicare contract with Florida's largest HMO.

"This is an excellent opportunity for us to help thousands of people in South Florida, as well as increase our business," BCBSF Executive Vice President Mike Cascone said.

Dr. William Roper, administrator of the Health Care Financing Administration, said the government will terminate its contract with Miami-based International Medical Centers (IMC), whose five-county HMO network has 136,000 beneficiaries. The contract is scheduled to expire July 31. If the decision holds, IMC's members will have to look elsewhere for Medicare coverage.

Government Programs staff members can expect additional workload. They'll play a big role in answering inquiries and providing information to former IMC enrollees, Cascone said.

"Fortunately, our 1987 plans for the Over 65 market segment included development of new Medicare supplement products which have already been filed with the Insurance Department," Cascone said. Six new Medicare supplement products originally were planned for a sales test beginning July 1.

Cascone said BCBSF plans to waive any waiting period for pre-existing conditions for the people leaving IMC.

"It's a great feeling to know that our employees can work so quickly as a team to help people in an emergency situation. The people of Florida can count on us to be there," Cascone said.

BCBSF representatives, particularly in South Florida, will receive increased inquiries. Decisions are being made on how the company will accept these new enrollees. As soon as decisions are final, information will be sent to employees who have frequent contact with the public.

Customer Service

FEP Telephone Inquiries has good people

Excerpts of recent letters to Customer Service Representatives in FEP Telephone Inquiries: **Patrice Frazier**—"most helpful and knowledgeable and is a credit to your organization;" **Linda Hastings**—"knowledgeable, pleasant... problems ended at completion of the conversation;" **B.J. Smith**—"efficient, courteous and understanding...go the extra mile."

Rightly done in Ft. Lauderdale

Excerpts from thankful letters to Customer Service Representatives in Ft. Lauderdale: **Patricia Griffin**: "...Your company is, indeed, lucky to have you working for them..." **Georgia Brennan**: "My sincere gratitude and thanks for your patience, your interest and your helpfulness..." And, "It would have been simple to forget the problem, but you persisted, and a happy conclusion was reached..."

The help our customers deserve

From a letter to **Patrice Frazier** (Customer Service Representative, FEP Telephone Inquiries): "(She) handled the matter with tact and expertise... (She was) able to clarify some confusion... (She) assisted me by contacting the surgeon's office and as a result saved me a considerable sum of money. I should like you to know that this is the type of service we all hope we get and often are left wanting..."

Superior customer service is when...

The staff is prepared to rectify a customer's problem immediately. Too many times, a complaint is put aside and allowed to recycle, which doubles the processing time.

James F. Simmons
National Accounts

BCBS NEWS

Request Refund sets collections record

Thanks to employees of the Request Refund Department, BCBSF collected \$3 million worth of mistakenly paid claims during the past four months. That's an average of \$750,000 a month, and about \$1 million more than was collected during the same period last year.

During the month of March, the unit set an all-time record when they recovered over \$1 million.

"It's a challenge to get the money back, and we look forward to it," supervisor Jerry Lepore said. He noted that during the nine-month period that ended April 30, the department collected 87 percent of the money it was asked to recover, and it resolved 88 percent of the files it was assigned. That's outstanding by any measurement, Lepore said.

Lepore attributed the department's success to enthusiastic employees working in a "happy, results-oriented atmosphere." He initiated a well-measured, double-performance standard that employees understand—number of files resolved and money collected.

"We've managed this year to keep up with the inflow of requests by resolving an average of one file per hour per collection specialist," Lepore said. The department resolves an average of 192.7 files per collector each month, he said.

Since the department was organized in December, 1982, productivity has improved considerably. Two years ago, 12 employees collected about half of what six employees recover today, Lepore said.

Marked improvement this past year, Lepore said, is due to revised collection letters, shortened time between mailed notices, greater staff expertise and teamwork.

Lepore said Request Refund employees achieve good performance during the course of a normal workday, with very little overtime. Not only are they interested in regaining money for the company, but they also maintain a high-level corporate image when dealing with hospitals, doctors and subscribers, Lepore said.

Summing up the reason for the department's success, Manager Cal Whitcomb said, "In a nutshell, the high degree of enthusiasm, teamwork and pride of accomplishment by all the employees produce outstanding results."

Employees earn cash

(Cont'd from p. 1)

\$10 for suggesting that a note pad and telephone message pad be combined.

Melissa J. Martin of Medicare B Reviews and Hearings earned \$10 for an idea concerning photographs received from doctors for medical review.

Of the 93 suggestions received since January 1986, 43 are still being examined. Some of the 40 rejected ideas were already being considered by the company, Simmons said.

Employees submit ideas to Training and Development on signed, official

suggestion forms. Keeping their names confidential, Simmons sends their ideas to appropriate directors and vice presidents, who may refer them to managers or supervisors. All awards are approved by the divisional vice president. The entire process usually takes 60 days and often longer, she said.

Employees are urged to participate, because management wants their ideas, considers them, and acts upon them, Simmons said.

Government can help small business afford group insurance, BCBSA says

More costly health insurance and low profit margins create barriers for small-business owners seeking health insurance for their workers. But there are some immediate steps the federal government could take to improve the most fundamental problem, affordability, Blue Cross and Blue Shield Association Vice President Mary Nell Lehnhard recently told a U.S. Senate panel. The government could relieve some of the problems by exempting small businesses from state-mandated benefits and by improving tax incentives for small groups that offer benefits, she said. The government also must examine its responsibility to the 75 percent of working uninsured whose incomes are so low they can't afford even group insurance, she said.

Malpractice insurance losses don't justify dramatic rate hikes, GAO says

The malpractice insurance industry has made profits averaging 15.3 percent between 1975 and 1985 and cannot use alleged losses to justify dramatic rate increases in the last two years, a General Accounting Office representative recently told a congressional panel. Insurance industry representatives said that recent premium increases are justified because of losses in 1984 and 1985, and that overall profitability of the industry is irrelevant to current price increases.

Mandatory hospital/doctor self-insurance proposed for Florida malpractice crisis

Insurance Commissioner Bill Gunter has proposed a mandatory self-insurance pool for hospitals and doctors in order to avert a worsening medical malpractice crisis. He urged legislative support because the current medical malpractice market is failing to respond to public health needs. He noted that Cigna Insurance Co., of Philadelphia, plans to withdraw from Florida's medical malpractice business in June, leaving 2,500 doctors without insurance.